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RUEHKT/AMEMBASSY KATHMANDU 0285
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C O N F I D E N T I A L SECTION 01 OF 04 BISHKEK 000707

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TAGS: [PGOV](#) [PREL](#) [MARR](#) [EINV](#) [KG](#)
SUBJECT: BAKIYEV TELLS BOUCHER BASE IS BILATERAL ISSUE

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Classified By: Amb. Marie L. Yovanovitch, Reason 1.4 (b) and (d).

¶1. (C) Summary: In a June 8 meeting with Assistant Secretary for South and Central Asian Affairs Richard Boucher, President Bakiyev said that U.S.-Kyrgyz cooperation had been "mutually beneficial" on the political, economic, and security fronts, but there were unresolved problems with Manas Air Base. Bakiyev complained that despite a protocol negotiated last year calling for "no less than \$150 million" to be paid for use of the base, the Kyrgyz had received "only \$7 million" this year. Bakiyev said that the sides need to "reconsider" take-off and landing fees, as well as rent for the base. Bakiyev complained that other base-related issues had not been resolved quickly enough, and he contended that the airman involved in the shooting incident should have remained in Kyrgyzstan until the matter was "resolved." Boucher explained to Bakiyev that the \$150 million figure represented the total value of all U.S. payments and assistance to Kyrgyzstan, that the U.S. was current on all payments under the protocol, and that the U.S. had kept the airman in country until the Kyrgyz investigation was completed, as the Kyrgyz government had requested. Boucher agreed that previous incidents should have been resolved more quickly, and he suggested activating the joint commission to address base-related issues in a more timely manner.

¶2. (C) Boucher welcomed Bakiyev's commitment to carrying out judicial and law enforcement reforms, and he said that the U.S. wanted to work closely with Kyrgyzstan on these issues. Kyrgyz civil society groups and government interlocutors had told him emphatically that Kyrgyzstan's Millennium Challenge

Account Threshold Country Plan could be implemented successfully, and Boucher said he would take this message back to the Millennium Challenge Corporation Board. Boucher also outlined U.S. initiatives on regional economic integration and development. End Summary.

13. (U) Assistant Secretary of State for South and Central Asian Affairs Richard Boucher met with President Kurmanbek Bakiyev for over an hour on June 8. Ambassador Yovanovitch, Senior Advisor Hayden, and Bishkek Pol-Econ Chief Burgess accompanied Boucher. National Security Council Secretary Mamytov, Foreign Minister Karabayev, and Foreign Policy Advisor Ryskulov accompanied Bakiyev. Assistant Secretary Boucher's other meetings in Kyrgyzstan will be reported septel.

Political Reform and Millennium Challenge

14. (C) President Bakiyev welcomed Assistant Secretary Boucher and noted that bilateral cooperation had been "mutually beneficial" in various fields. Bakiyev said that Kyrgyzstan's democratic reforms were "irreversible" and its level of democratic development was higher than in any other country of the former Soviet Union. The President said that Kyrgyzstan's active civil society made it impossible for government officials even to try to hide misdeeds. On constitutional reform, Bakiyev said that "emotion" had led to "hasty decisions" in the past, but the Constitutional Court would follow "proper procedures" in evaluating the current proposed amendments to the constitution. Bakiyev said that Kyrgyzstan had taken "necessary measures" to improve its security services, including raising salaries for law enforcement personnel, and he acknowledged the support of international organizations in this area. Bakiyev assured

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Boucher that his government was determined to follow through on reforms to the judiciary and law enforcement agencies.

15. (C) Boucher acknowledged that the political reform process had moved forward over the past year. He cautioned, however, that continued delays on constitutional reform raised questions about political stability -- questions that could best be answered through adoption of a new constitution. Boucher welcomed Bakiyev's comments about judicial and law enforcement reforms, and he said that the U.S. wanted to work with the Kyrgyz to implement these reforms. Boucher said that he hoped the Millennium Challenge Corporation Board would decide soon whether to fund Kyrgyzstan's proposed Threshold Country Plan, which targets judicial and law enforcement reforms. However, said Boucher, the Millennium Challenge Corporation had asked a number of questions about Kyrgyzstan's proposal, including whether there was sufficient political will to carry out the program. Boucher said that the answer he had gotten on this visit was that government and civil society supported funding for Kyrgyzstan's Threshold Country Plan, believed the reforms could be implemented, and understood that judicial reform was fundamental to economic development and improved security.

Economic Development and Regional Integration

16. (C) Bakiyev said he was satisfied with economic indicators for the first four months of the year: the Gross Domestic Product showed good growth, inflation was within limits, and trade turnover increased. Bakiyev said that Kyrgyzstan's new Country Development Strategy had full donor support and left no doubt as to the steps Kyrgyzstan needed to take to promote economic growth.

17. (C) Boucher welcomed the positive economic results, and he said that regional opportunities in trade and electric energy exports would further enhance Kyrgyzstan's economic development. Boucher said he hoped the Kyrgyz parliament

would move forward with proposed legislation to allow privatization in the electric energy sector, so that Kyrgyzstan could attract the right kind of foreign investment in the sector. Boucher said Kyrgyzstan had an important regional role to play in energy exports, and U.S. experts were working with the Kyrgyz to connect Kyrgyzstan to projects to export electric energy to Afghanistan and South Asia. He continued, saying that the U.S. was looking to open new trade routes through improvements to the region's transportation infrastructure. He encouraged high level Kyrgyz participation at the Central Asia Trade and Investment Framework Agreement meeting in Washington this July to address other barriers to trade. Boucher also lauded Kyrgyzstan's regional role in education, pointing to the American University in Central Asia, which attracts students from all of the countries of Central Asia and Afghanistan.

Bakiyev: Problems with the Air Base

18. (C) After acknowledging many positive aspects of the bilateral relationship, Bakiyev said it was necessary to discuss problems with the air base, as he had with Secretary of Defense Gates on June 5. Bakiyev said that the Kyrgyz and the U.S. had taken different approaches to evaluating economic benefits from the base. He said that in 2006, the sides had negotiated a protocol that called for "no less than

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\$150 million" to be paid in compensation for the base. Bakiyev complained that "these figures" represented only intentions, and the "facts" were that Kyrgyzstan had received only \$7 million this year for the base. He said that the U.S. method of including other development assistance -- such as democracy and governance programs -- in the total was "not correct." The President said that the "talk of benefits" needed to be concrete, and therefore the sides must reconsider take-off and landing fees and other rents for the base. He also asked about new radar for the airport.

19. (C) Bakiyev then turned to the "unfortunate incidents" at the base. On the Ivanov shooting, he complained about the "removal" of the airmen from Kyrgyzstan, saying that the airman should have remained in country until the matter was "resolved." As a result, "the public" did not know whether the airman would be punished. The President also complained of "other road accidents" resulting in injuries and deaths, but for which "no actions were taken." He said that the U.S. should have acted more quickly to resolve these issues; the shooting especially caused negative public reaction when the U.S. government did not act to help the widow of the family's sole breadwinner.

Boucher: A Path to Stabilize Base Relations

110. (C) Boucher pointed out that Manas Air Base played an essential role in promoting regional stability, and this was a major benefit to Kyrgyzstan, which itself had suffered terrorist incursions in the past. Boucher said that while other Coalition members use the base, the U.S. had a special responsibility as operator and prime user of the base, and the U.S. wanted to make sure the base brought other benefits to Kyrgyzstan. Boucher said that we were looking to increase base purchasing from local vendors, and he promised to bring in contracting specialists to advise Kyrgyz businesses how to compete for contracts in Afghanistan. Boucher said the U.S. would try to resolve issues more quickly in the future, and he suggested activating the joint commission as the best forum for addressing and resolving base-related issues.

111. (C) Boucher explained to Bakiyev that in 2006, the U.S. and Kyrgyzstan reached agreement on a protocol for land rents and other financial arrangements for the base, and all payments under the protocol have been made on time. The \$150 million figure represented an estimate of the benefits

derived by Kyrgyzstan from the overall relationship with the U.S. Boucher and Bakiyev agreed that Ambassador Yovanovitch and Security Council Secretary Mamytov would provide a complete breakdown of the \$150 million figure for Bakiyev. Boucher also suggested that Bakiyev might discuss additional air navigation equipment for the airport with CENTCOM Commander Admiral Fallon during his visit to Kyrgyzstan June 15.

12. (C) Regarding the shooting incident, Boucher pointed out that the U.S. had made a payment to Mrs. Ivanova that was twenty times her husband's annual salary -- in effect, a lifetime pension. Boucher pointed out that the airman had remained in Kyrgyzstan until the conclusion of the Kyrgyz investigation, which is what the Kyrgyz government had requested. The U.S. investigation is still going on, but if there is a finding that the airman is liable for the shooting, he will be punished under U.S. law, said Boucher. He also said that the U.S. had made an offer of compensation

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for the September plane collision, but we were waiting for a response from the Kyrgyz Air company.

Shanghai Cooperation Summit and the Base

13. (C) Boucher said that there was one more base-related issue that needed to be addressed, and that was the upcoming summit of the Shanghai Cooperation Organization in Bishkek in August. Boucher said that the U.S. welcomed the organization's work on terrorism, border security, and economic cooperation, but at its summit two years ago, the organization had "wandered off" with its comments on basing in Central Asia. Boucher said that we had spoken with other Shanghai Cooperation Organization members about this, and the Russians and Chinese agreed that stability in Afghanistan was important for the region. Therefore, Boucher said, he hoped the base would be kept off the summit's agenda. He concluded that there is nothing unusual in the arrangement, as the Germans have a base in Uzbekistan and the French operate out of Tajikistan. Bakiyev said that the base was a U.S.-Kyrgyz bilateral issue, and he assured Boucher that the base would not be discussed at the summit.

Better Relations with Neighbors

14. (C) Asked about regional relations, Bakiyev said that there were "excellent prospects" for the relationship with Kazakhstan. Following Kazakh President Nazarbayev's recent visit to Kyrgyzstan, Bakiyev said that he expected Kazakh investment in Kyrgyzstan, as well as Kyrgyz exports to Kazakhstan (cement, glass, and other materials), to grow. Bakiyev said he supported Nazarbayev's proposal for a common economic space in Central Asia, regardless of whether other countries join in. Turning to Uzbekistan, Bakiyev said that the relationship was often difficult. He said that active cooperation between Uzbek and Kyrgyz security services had helped convince the Uzbeks that Kyrgyzstan was not sheltering anti-Uzbek terrorists.

Comment

15. (C) In separate meetings, senior Kyrgyz officials assured Boucher that there is no question about the base's continued presence. The tone of the meeting with Bakiyev was positive, but for Bakiyev, the bottom line continues to be money, which he claims is necessary because Kyrgyzstan faces "economic difficulties." Bakiyev has either been poorly briefed or he chooses to misunderstand the base funding protocol negotiated last summer, and he was clearly not interested when the Assistant Secretary started to explain the details of the protocol. On other issues, Bakiyev was more positive, saying the right things on constitutional, judicial, and law

enforcement reform.

¶16. (U) Assistant Secretary Boucher has cleared this message.
YOVANOVITCH